

Asahi Kasei Agrees to Acquire Polypore

Acquisition Expands Battery Separator Operations in
the Field of the Environment & Energy

Asahi Kasei Corporation
February 23 2015

1. Positioning within our Mid-Term Management Initiative

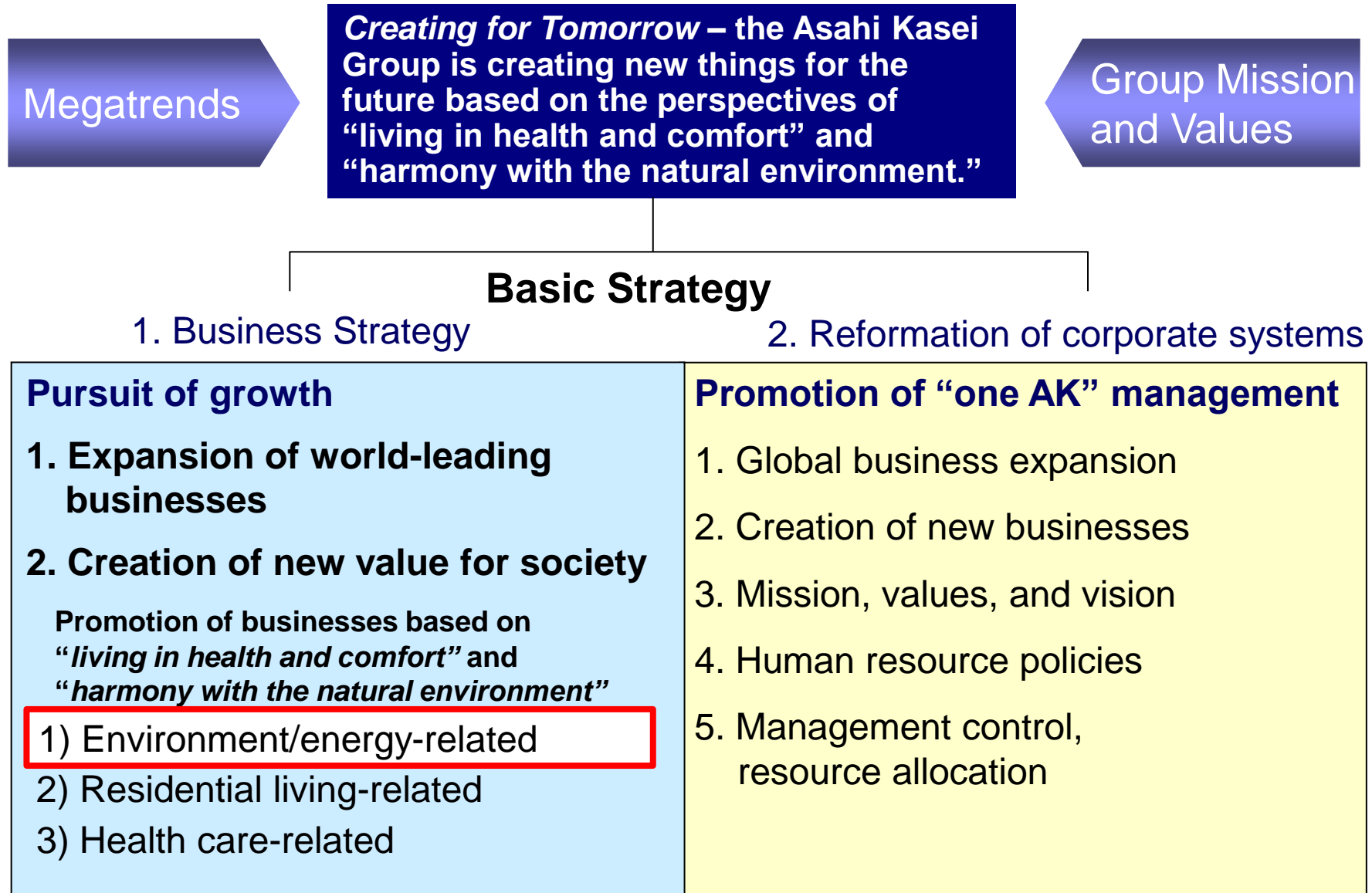
2. Overview of Polypore and the Acquisition Process

3. Overview of Polypore Battery Separator Business

4. Significance of this Acquisition for Asahi Kasei

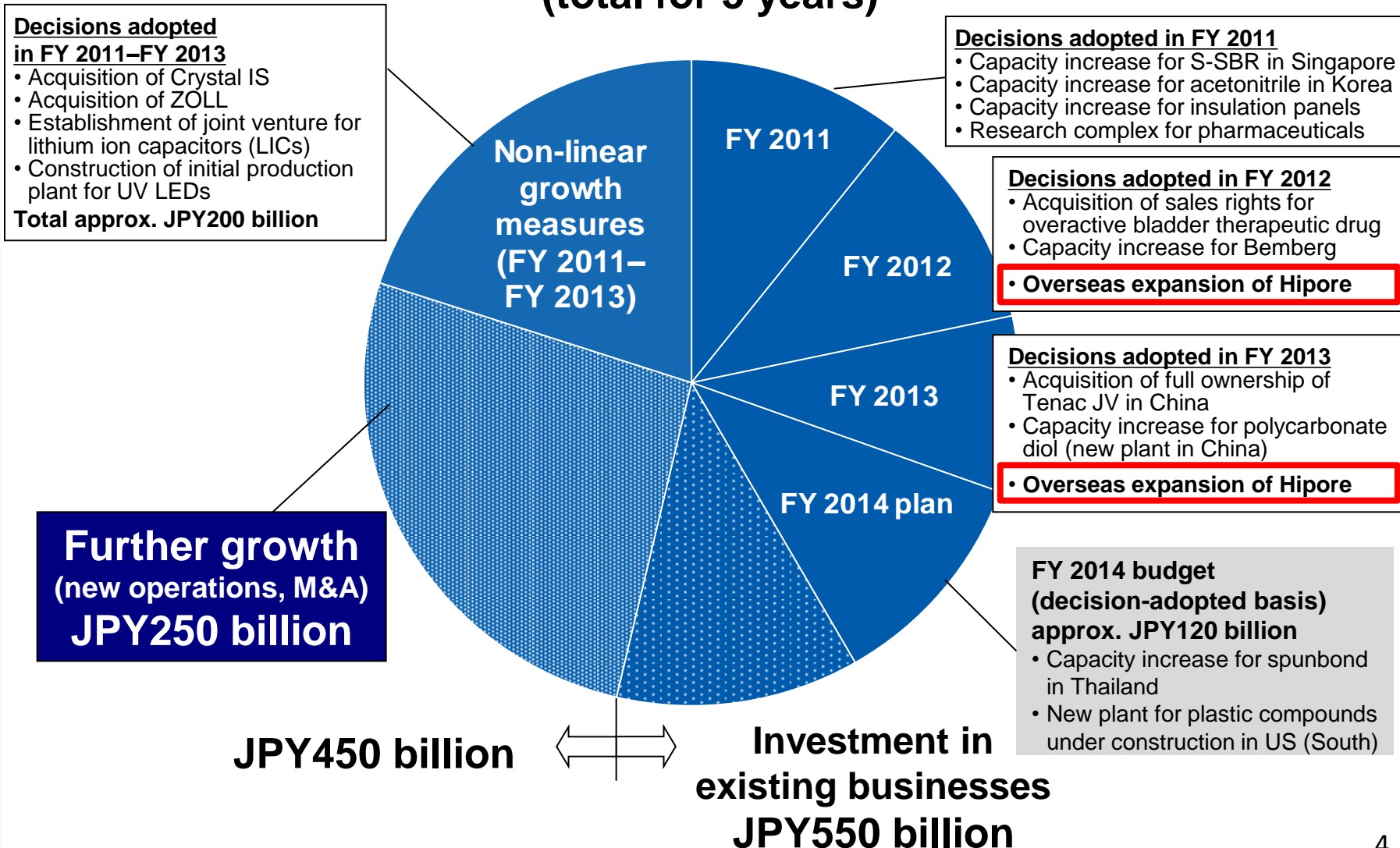
5. Transaction Overview, Financial Impact

Position within “For Tomorrow 2015”



Strategic investment for growth

Concept for JPY1 trillion of investment during “For Tomorrow 2015” (total for 5 years)



Hipore lithium-ion battery separator

Basic strategy

- Proactive expansion in line with market growth
 - Expansion in mobile applications
 - Capturing demand in automotive applications

Technological development

- Development of high-function membranes suited to various customer needs
- Utilizing technology to produce lower cost separator

Production

Moriyama: production of high-function membranes, “mother factory” for production technology innovation

Hyuga: capacity expansion as high-volume production site

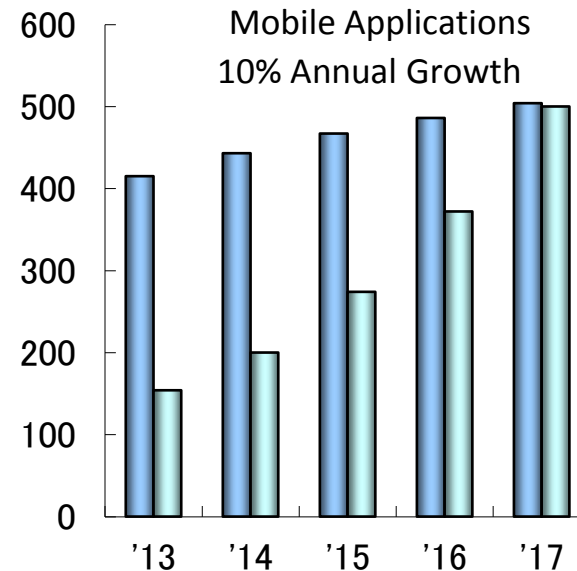
Overseas: reinforcement of processing functions in Korea and China

Marketing

1. Mobile applications
 - Reinforcement of local sales functions in key markets
2. Automotive applications
 - Proactive establishment of supply to LIB producers for automotive applications

Global demand forecast for LIB separator
(million m²) (Asahi Kasei estimate)

Legend: Mobile applications (blue), Automotive applications (light blue)



Growing market in automotive applications

Mobile applications

Further growth in separator market through proactive launch of new products and expansion of production capacity

Automotive applications

Growth in rapid-growing automotive applications, utilizing technical strength and customer service capability established in mobile applications



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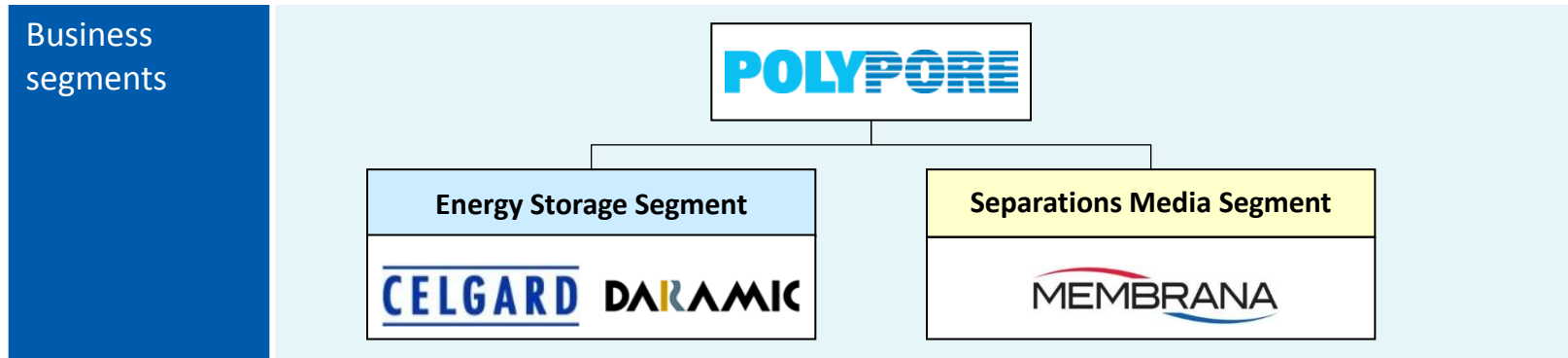
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Polypore International, Inc. Profile



Company name	Polypore International, Inc. (Polypore) (NYSE: PPO)
Establishment	1966
Business sites	Headquarters: Charlotte, North Carolina Plants: United States, Germany, France, India, Thailand, China, Korea
CEO	Robert B. Toth
Business overview	Develops, manufactures, and sells polymer membranes
Sales	\$636 million (in 2013)
Number of employees	Around 2,400 (As of December 28, 2013)



Polypore's Business Overview

Polypore International, Inc.

Sales: \$636 million
EBITDA: \$166 million

Energy Storage Segment
Sales: \$442 million
EBITDA: \$116 million

Electronics & EDVs
Sales: \$130 million

Applications

- Mobile electronics
- Power tools
- Eco-friendly vehicles
- Energy storage systems

Transportation & Industrial
Sales: \$312 million

Applications

- Automobiles, trucks, and buses
- Forklifts
- Backup power

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DARAMIC



Separations Media Segment

Healthcare

Applications

- Hemodialysis
- Plasmapheresis

Industrial & Specialty

Applications

- Liquid filtration
- Gasification and degasification
- Water treatment
- Microelectronics
- Pharmaceuticals
- Food and beverages

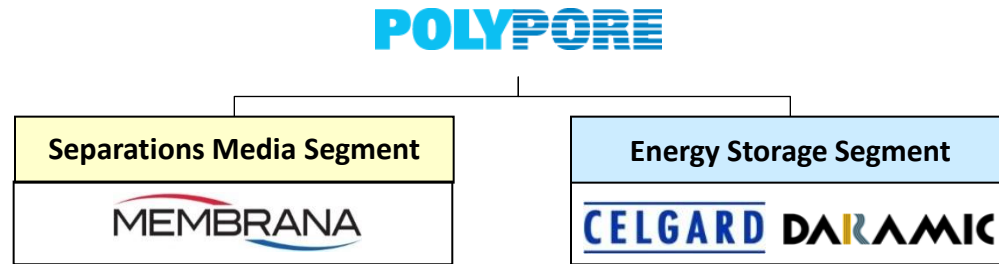
MEMBRANA



* Polypore results for 2013

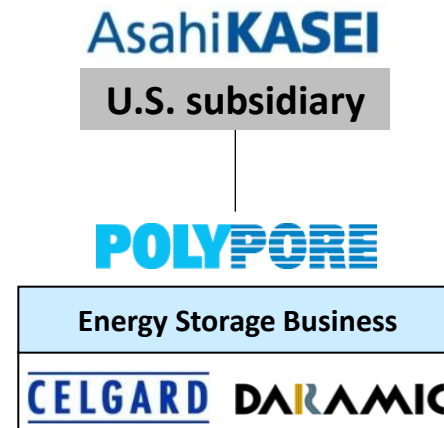
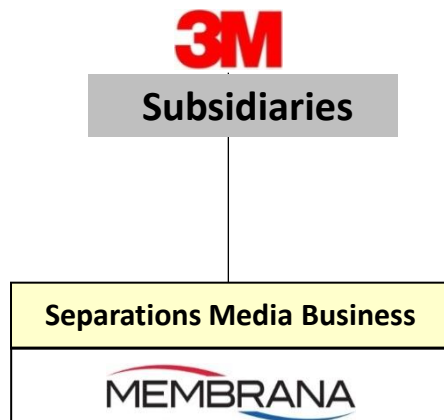
Acquisition Scheme

Asahi Kasei to pay around \$2.2billion to purchase Polypore's battery separator business



Step 1 Polypore to sell its healthcare and industrial membranes businesses to 3M

Step 2 Asahi Kasei to acquire all Polypore shares



3M Company Profile



Company name	3M Company (3M) (NYSE: MMM)
Establishment	1902
Business sites	Headquarters: Saint Paul, Minnesota
CEO	Inge G. Thulin
Business overview	Electronics, telecommunications, industrial, consumer and office, health care and safety
Sales	\$31.8 billion (2014)
Number of employees	Around 88,700 (as of December 31, 2013)

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Celgard's Business Overview

Market overview

Consumer electronics (compact storage batteries)

- Portable devices
 - Including laptop PCs, tablets, and audio players
- Mobile communication devices
 - Cellphones and smartphones

Appliances and tools (storage batteries)

- Vacuum cleaners and other appliances
- Electric bicycles
- Lawnmowers and gardening tools

Automotive

- Storage batteries for eco-friendly vehicles
 - Hybrid, plug-in hybrid, and electric vehicles

Energy storage systems

- Grid management
- Backup power

Massive growth potential

Notes

- Manufacturer of separators for lithium-ion batteries, leveraging advanced technologies
- Has strong footing in dry-process separators
- Focusing on eco-friendly vehicles with high growth potential
 - Greater demand for hybrid and electric vehicles in response to tighter emissions controls and fuel efficiency requirements
 - Increasing motorization, particularly in emerging countries

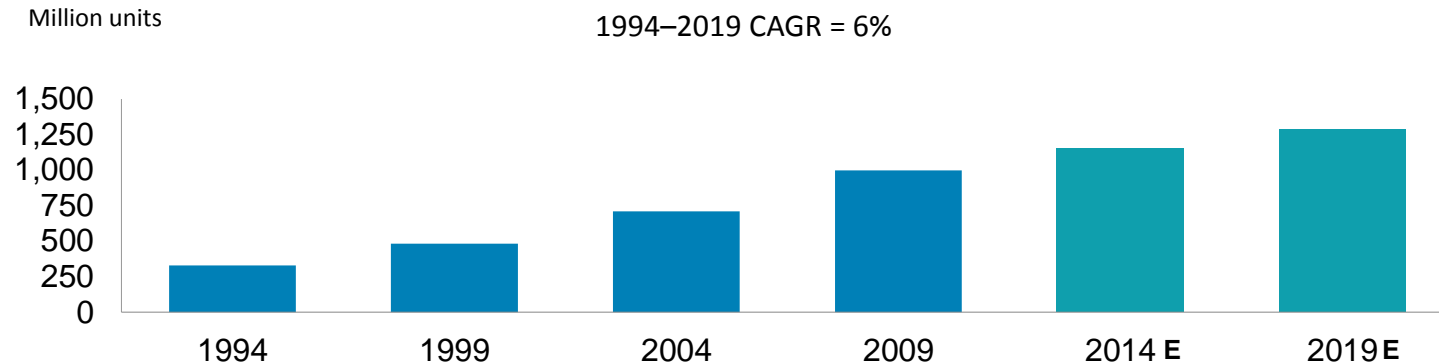
CELGARD



Daramic's Business Overview

Market environment

Global Vehicles in Use/Parc



- Replacement demand accounts for 80%* of automotive battery sales
 - Ongoing battery replacement revenues

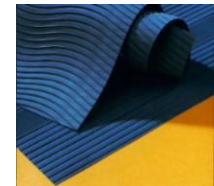
(source: BMI)

*Polypore estimates

Notes

- Has firm footing in lead-acid battery separator market
- Strong supply capability through broad product lineup and global operations

DARAMIC



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Significance of Acquisition for Asahi Kasei AsahiKASEI

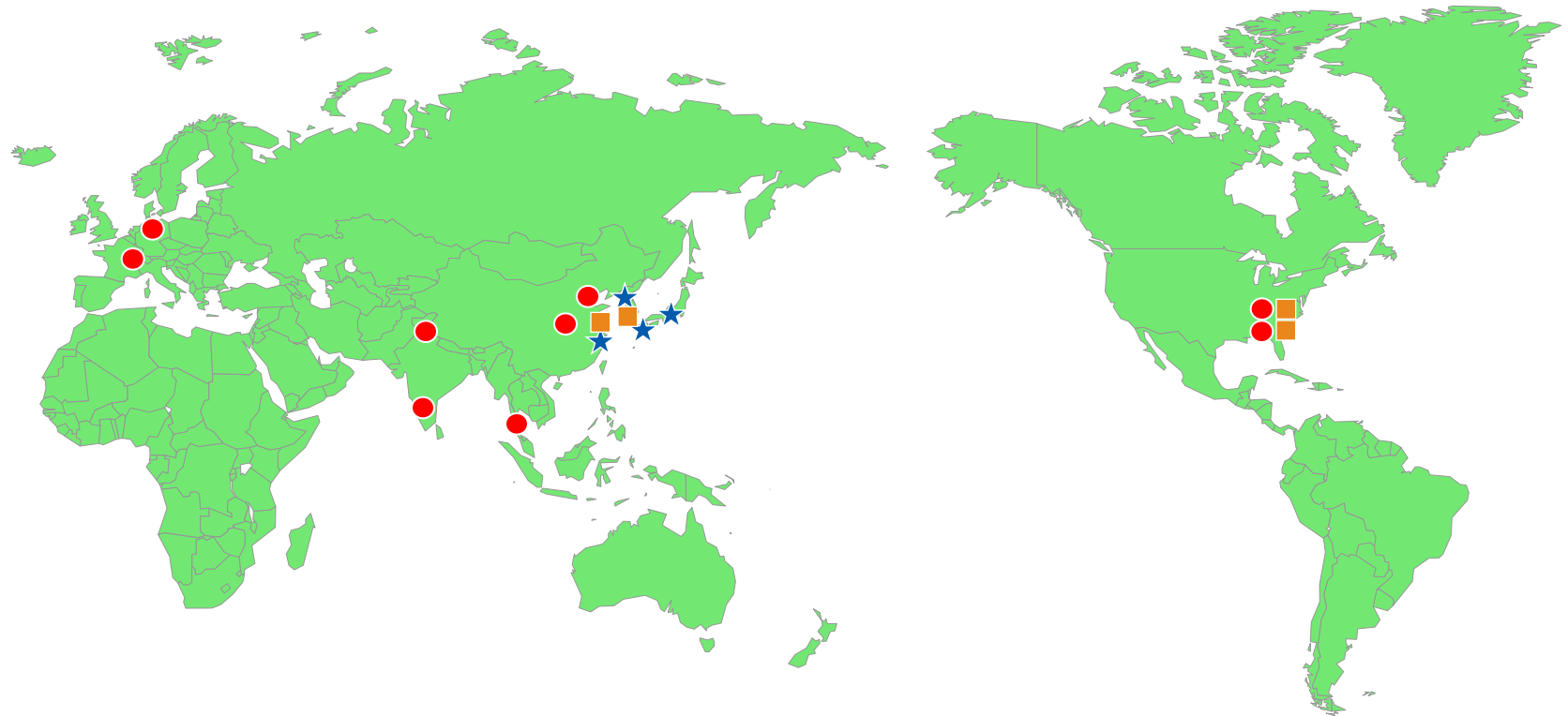
Materialize growth strategies in highly promising battery separator field

Synergy in R&D and manufacturing technology

Synergy in marketing

Synergy in human talent

Accelerating Strategic Growth Through Synergy Between Both Companies' Strengths



Manufacturing and R&D sites:

★ Asahi Kasei's Hipore

■ Celgard's operations

● Daramic's operations

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Transaction Overview, Financial Impact

Acquisition cost	<ul style="list-style-type: none">● \$60.50 per share<ul style="list-style-type: none">• Representing a 28.4% premium to the one-month average price of shares through February 20, 2015• Battery separator business purchase price of some \$2.2 billion
Funding approach	<ul style="list-style-type: none">● Asahi Kasei would draw on its cash reserves and new bridge loans, looking thereafter to procure funds to optimize its financial structure
Financial impact	<ul style="list-style-type: none">● Goodwill, intangible assets, and other details are to be announced when they have been determined● The debt-to-equity ratio is estimated to increase to around 0.6 from the ratio of 0.3 as of end of Q3 2014
Shareholder returns	<ul style="list-style-type: none">● Will continue to seek shareholder returns commensurate with business results and seek a payout ratio of approximately 30% by continuing to invest in growth fields including the environment & energy
Process requirements through acquisition completion	<ul style="list-style-type: none">● Notify pertinent national competition law authorities● Polypore shareholder meeting● Obtain approvals from pertinent national competition law authorities and regulators● Closing



Creating for Tomorrow

The commitment of the Asahi Kasei Group:

To do all that we can in every era to help the people of the world make the most of life and attain fulfillment in living.

Since our founding, we have always been deeply committed to contributing to the development of society, boldly anticipating the emergence of new needs.

This is what we mean by “Creating for Tomorrow.”

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains certain statements that are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. Asahi Kasei, 3M, and Polypore have identified some of these forward-looking statements with words like “believe,” “may,” “could,” “would,” “might,” “possible,” “will,” “should,” “expect,” “intend,” “plan,” “anticipate,” or “continue,” the negative of these words, other terms of similar meaning or the use of future dates. Forward-looking statements in this release include without limitation statements regarding the expected timing of the completion of the transactions described in this press release, Asahi Kasei’s operation of the Polypore business following completion of the contemplated transactions, and statements regarding the future operation, direction and success of Polypore’s businesses. Such statements are qualified by the inherent risks and uncertainties surrounding future expectations generally, and actual results could differ materially from those currently anticipated due to a number of risks and uncertainties. Risks and uncertainties that could cause results to differ from expectations include: uncertainties as to the timing of the contemplated transactions; uncertainties as to the approval of Polypore’s stockholders required in connection with the contemplated transactions; the possibility that a competing proposal will be made; the possibility that the closing conditions to the contemplated transactions may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant a necessary regulatory approval; the effects of disruption caused by the announcement of the contemplated transactions making it more difficult to maintain relationships with employees, customers, vendors and other business partners; the risk that stockholder litigation in connection with the contemplated transactions may affect the timing or occurrence of the contemplated transactions or result in significant costs of defense, indemnification and liability; other business effects, including the effects of industry, economic or political conditions outside of the control of the parties to the contemplated transactions; transactions costs; actual or contingent liabilities; and other risks and uncertainties discussed in Polypore’s filings with the U.S. Securities and Exchange Commission (the “SEC”), including the “Risk Factors” sections of Polypore’s most recent annual report on Form 10-K. You can obtain copies of Polypore’s filings with the SEC for free at the SEC’s website (www.sec.gov). Neither Asahi Kasei nor Polypore nor 3M undertakes any obligation to update any forward-looking statements as a result of new information, future developments or otherwise, except as expressly required by law. All forward-looking statements in this announcement are qualified in their entirety by this cautionary statement.

Additional Information and Where to Find it

Polypore intends to file with the SEC a proxy statement in connection with the contemplated transactions. The definitive proxy statement will be sent or given to Polypore stockholders and will contain important information about the contemplated transactions. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT CAREFULLY AND IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE.** Investors and security holders may obtain a free copy of the proxy statement (when it is available) and other documents filed with the SEC at the SEC’s website at www.sec.gov

Certain Information Concerning Participants

Polypore and its directors and executive officers may be deemed to be participants in the solicitation of proxies from Polypore investors and security holders in connection with the contemplated transactions. Information about Polypore’s directors and executive officers is set forth in its proxy statement for its 2014 Annual Meeting of Stockholders and its most recent annual report on Form 10-K. These documents may be obtained for free at the SEC’s website at www.sec.gov). Additional information regarding the interests of participants in the solicitation of proxies in connection with the contemplated transactions will be included in the proxy statement that Polypore intends to file with the SEC.